

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

January 11, 1979

The second meeting of the Taxation Committee was called to order on the above date in Room 415 of the State Capitol building by Chairman Turnage at 8:10 a.m.

ROLL CALL: Roll call found all members present.

The following witnesses were present to give testimony:

Bud Garrick	Montana Hiway Patrol
Larry Majarus	Motor Vehicle Division
Jim Proud	Mont. Appraisers & Classifiers Association
Jim Mockler	Montana Coal Council
Dennis Burr	Dept. of Revenue
Jim Howard	

CONSIDERATION OF SENATE BILL 71 - Sen. Jergeson introduced his bill, saying because of some criticism around the state regarding some of the appraisals, it was felt some kind of an appraisers school should be held. The bill would provide for a course of instruction to qualify county appraisers. Mr. Proud of Flathead County said the bill had been requested by county appraisers due to some of the criticism, in an effort to insure more uniformity in appraisals. The course would deal with all phases of appraising and is being considered in the hopes of having better qualified appraisers.

Mr. Burr said the Department was in favor of the bill and felt this course would improve appraisals in bringing more uniformity to this aspect of taxing. He was questioned by members of the committee concerning the cost of the school of instruction, to which he replied costs are from \$10,000 to \$20,000 for the present course. He felt this measure would add very little to the present costs. He was also questioned about a 'grandfather clause' in the bill which would protect appraisers with several years of experience. Burr also said the bill came from the appraisers association and is what that body feels would ensure minimum requirements.

Chairman Turnage asked for further questions from the committee and said rule making authority is granted in the bill and felt the committee should draw up a statement of intent for the measure, citing the Legislature's recent ruling to that effect.

Following this the hearing on SB 71 was closed.

CONSIDERATION OF SENATE BILL 75 - Sen. Hazelbaker presented the bill citing a number of instances where people who were employed in Montana for several months only had been forced to pay the tax on Montana license plates, even though they were licensed in their home state for the same year. Sen. Boylan,

co-sponsor of the bill, also gave testimony on the bill. He said Yellowstone Park employees in particular, who worked here for several months only, were being taxed double on their car licenses. Mr. Majaris next gave supporting testimony for the bill, saying this was indeed, a problem for the Department. He said that the people employed here would still have to have a Montana plate, but would not have to pay our taxes, under the proposed legislation.

Other proponents of the bill were Mr. Mockler, who said employees at Decker Coal were faced with this problem, being taxed in Wyoming and Montana, paying taxes in both states and holding drivers licenses in both states, yet laws in both states state they cannot hold two current drivers licenses. Mr. Garrick of the Highway Patrol stated his agreement with previous testimony and said he thought it would be easier to enforce the law as after 90 days the individual would be required to apply for their drivers license. Sen. Hazelbkaer introduced Exh. #1 to support his testimony.

Chairman Turnage asked for questions from the committee and it was brought out that Montana and Wyoming have a reciprocity agreement concerning the employees at Decker Coal Co., at present. There followed further discussion on the bill and Sen. Towe asked for a Fiscal Note for both this bill and SB 71. The hearing on SB 75 was then closed.

The Chairman then told the committee the Revenue Oversight Committee had come up with several tax measures and mentioned each: one was a bill to put mineral interest proceeds in trust until rightful heirs could be located; another bill dealt with revision of the Escheated Estate Act, providing for disposition of unclaimed property; the other bill dealt with the cancellation of a mortgage in an estate matter, at present the entire mortgage is cancelled following a Supreme Court ruling--the bill would change the ruling back to allowing the survivor to cancel half the mortgage.

Sen. Brown drew the committee's attention to a reproduction of a series of Taxation articles that appeared in several state papers, and now compiled and a part of the committees' books.

The Chairman called for further questions and there being none, meeting adjourned.



JEAN A. TURNAGE, CHAIRMAN

DATE

1-10th. 79

COMMITTEE ON

TAXATION

5.B.71-75

VISITORS' REGISTER

(Please leave prepared statement with Secretary)

Date

1-11

ROLL CALL

SENATE TAXATION COMMITTEE

46th LEGISLATIVE SESSION - 1979

Each Day Attach to Minutes.

SENATE

WINTER ADDRESS
NOV. 1ST TO APRIL 15TH

226 E. CANON PERDIDO
P. O. BOX 2700
NTA BARBARA, CALIF. 93120
(406) 961-0701

SUMMER ADDRESS
APRIL 15TH TO NOV. 1ST

WEST YELLOWSTONE,
MONTANA 59759
(406) 846-7325

HAMILTON STORES, INC.

YELLOWSTONE NATIONAL PARK

October 21, 1977

Jim Maddison
Maddison Meats, Inc.
P. O. Box 556
Sheridan, Mt. 59749

Dear Jim:

Exhibit 1

For the past two years now we have been experiencing a problem with the existing law requiring out of State individuals, gainfully employed within the State of Montana, to secure Montana license plates. This is law #53-129 in the Montana Vehicle Code Book.

We are in full support of the intent of this particular law because of the large number of construction firms that bring in hundreds of employees on a contract basis for as long as six months to a year's employment within the State. However, we do feel that there should be an exemption for seasonal employees who work in resort areas of the State.

Tourism is the number two industry in Montana. Most of the resort areas are seasonal and the majority of persons employed in these areas are students and retirees who do not, because of the seasonal nature of the operations, take jobs away from Montanans. While they are working here they spend their money in Montana, pay Montana tax and advertise the state when they return home. This is the best kind of advertising Montana could get without a cent being spent out of the State Advertising budget.

The law, as it now stands, is making it difficult for employers to hire non-Montana residents to work in seasonal resorts without buying license plates. The new method in which the Department of Motor Vehicles is handling reregistration has eliminated the pro-rata license plate which should not, in our opinion, have been necessary for seasonal employees but, at least, was more fair than the new registration which eliminated the pro-rata plate. As a result, we are faced with either losing better than 90% of our employees at one particular location or picking up the expense for these employees to secure license plates.

In the past we have supported you, as well as many other Montana suppliers, by purchasing goods that, in some cases were higher than in other areas but, because of our loyalty to the State, we have tried to work with you as closely as possible.

We are asking your help, at this time, to have the law amended allowing seasonal employees in resort areas to be exempted from this particular law when the employee is not gainfully employed within the State for more than 120 days.

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Although the legislature does not reconvene for another year we are hopeful that you, through your lobbyist within the State, as well as in any personal contacts you might have with legislators, will be able to help in getting this law amended, allowing this exemption.

We will be looking forward to hearing from you as to any progress you might be making as well as any comments that you might have on this particular issue.

Sincerely,



Terry Povah
Vice President